KAHN SEES IDLENESS BILLIONS IN CLAIMS IN FAULTY TAXATION AGAINST UNCLE SAM

fect in Checking New Enterprises.

URGES LOWER SURTAXES CASES DRAG FIFTY YEARS

Capital Flows Increasingly Farmers, Inventors, Marine Into Exempt Securities,

Faulty taxation is one of the main planations for the present depression

Faulty taxation is one of the main explanations for the present depression which keeps millions of men idle, Otto H. Kahn, the banker, asserted in a letter to Senator Irvine L. Lenroot of Wisconsin. The letter, made public yesterday, blamed particularly the higher brackets of the surtaxes.

Mr. Kahn wrote the letter to the Republican Senator from Wisconsin following the publication that Mr. Lenroot was opposed to the reduction of the surtaxes to a maximum of 32 per cent, at adopted by the House of Representatives.

'Permit me to point out, at the outset, that from the merely selfish standpoint, the man of means need have little quarrel with the existing schedule of surtaxes," Mr. Kahn said. "If he chooses to avail himself of the lawful opportunities at hand, he can invest a greater or less portion and, in some cases, all of his capital in tax-exempt securities at an attractive rate of interest and, to the extent that he does so, the income tax and surtaxes will cease to trouble him."

"To the extent that the extreme surtaxes are collected," he says, "they penalize the working capitalist, the man engaged in enterprise and active business, as against the idle capitalist. They have produced less and less, year by year. According to the last published figures they produced but one-third approximately of what they produced in the first year of their existence and for the present year they will unquestionably produce still less. Quite apart from the simple way of avoidance, through investment in tax exempt securities, they challenge the ingenuity of those subjected to them, to find means of escape from their rigor, as every extreme statute does. It is human nature that men will resort to any legitimate means of defence against unreasonable exaction. I have personally no doubt that surtaxes which (including the normal tax) do not claim more than say, as a maximum, one-third of a person's income will produce a larger revenue than the present rates which claim up to nearly three-quarters of a person's income."

Result of Faulty Taxation.

The banker shows that it is that relatively small percentage of the nation's wealth represented by the surplus funds of corporations and well-to-do individuals that starts and finances, at a risk, the new enterprises of the country. After pointing out the scarcity of investment funds, including those for mortgages and building operations Mr. Kahn says:

westment funds, including those for mortgages and building operations Mr. Kahn says:

"In faulty taxation must be found one of the main explanations for that stagnations of men idle. In the all-pervasive effects of faulty taxation must be found one of the reasons for the maladjustment which causes inordinately low prices for the things the farmer produces while at the same time enhancing the costs of the things he buys.

"I am engaged in the business of financing enterprise and I know from personal experience how continuously projects, the execution of which would aid in turning the wheels of industry and creating employment, are running up against the impediments of taxation and are broken by them and discarded. "The man of small or moderate means in taxed far less in this country than in any of the leading nations of Europe. But our efderal surtaxes rise to rates higher than exist in the tax schedules of any other nation, and that without taking into account State income taxes, which are unknown in Europe."

The road to the relief of unemployment and of the present plight of the farmers lies along a system of taxation which seeks to promote industry rather than to tame and retard it, Mr. Kahn asserts.

Tax Exempt Securities.

Tax Exempt Securities.

Turning to the part played in the sit-uation by tax exempt securities the banker says: "There are at present over \$15,000,-000,000 of tax exempt securities avail-

able and more are coming out almost daily. In the first eight months of this year approximately \$700,000.000 of such securities have come upon the market.

in the month of August alone \$100,100,000.

"There is but one effective way of
atopping the huge exodus which has
been going on and continues ever increasingly to go on of capital into the
haven of tax exempt securities, and that
is so to reduce surtaxes as to remove
the immensity of the advantage now oftered by such securities."

In concluding Mr. Kahn points out
that the people judge a party not by
the details but by the results of legislative enactments, and the matter of vital
concern to the average man and woman
is the return of good times and abundant employment. He says:

"It is my business to keep track of the
currents which determine the trend of
affairs, and I speak from practical
knowledge when I say that good times
and abundant employment cannot return
as long as enterprise is lamed and the
natural flow of capital deflected by opbressive and exorbitant taxation."

SAYS HARDING VIOLATED RIGHT OF LOWER HOUSE Cockran Questions Power to Address Single Chamber.

WASHINOTON, Oct. 14.—The House Ju-liciary Committee would be directed "to inquire whether it is within the scope of the President's Constitutional authority to address either house of Congress with-but notice to the other and in its ab-sence, whenever he may please, on any proposal of legislation actually pending or likely to come before it," under a resolution introduced to-night by Repre-sentative Bourke Cockran (N. Y.), Democrat.

HIS FIRST PEACE SINCE WEDDED; STAYS IN JAIL Chicagoan Refuses to Sign

Bail Bond for Release.

CHICAGO, Oct. 14.—Joe Wisniewski, wealthy Chicago real estate operator, who was put into Jali upon complaint of his wife Wednesday, refused an offerer referse to-day when a \$1,000 bond was presented to him to sign.

"Not on your life," he replied. "I won't sign it. I don't want to leave this place. This is the only place I have had peace since I was married."

Recently Mrs. Wisniewski final a bill for divorce, charging that her husband had beat her and threatened to kill her.

Banker Writes Lenroot of Ef- Only Tribunal in Which Government Can Be Sued Be-

gins Autumn Term.

and War Contractors Are Among Litigants.

New York Herald Bareau. Washington, D. C., Oct. 14. More than \$2,000,000,000 worth of filed in the United States Court of Claims within the next few months, in

The Court of Claims, now beginning its autumn term, is the only tribunal in

against the Federal Government From every section of the United States business men, manufacturere, inventors are flocking to Washington to

lay their demands before the court. Demands range from \$10 to untold

rate," as the language of the court puts it.

Farmers seeking redress from the Government through the claims court are numerous. Scores of them are demanding compensation for damage to crops when airplanes landed in their fields during the war. Other farmers want financial relief for use of land confiscated for camp sites. These claims are in the class involving a few hundreds of dollars.

In the class involving millions are the demands of ship operating companies whose vessels were taken over by the Government during the war. Ship building concerns ask a total of approximately \$550,000,000 as a result of contracts cancelled by the United States Shipping Board at the time of the armistice.

Larger amounts are being sought by

Shipping Board at the time of the armistice.

Larger amounts are being sought by manufacturers and concerns which sold supplies to the War Department. Millions of dollars worth of orders for food, textiles, steel, weapons and bombs were cancelled following the armistice. This resulted in a waste of material that meant fortunes to many concerns, according to claimants.

Opportunities to settle their claims were given to most claimants by the Government departments at the time of the cancellations, and hundreds chose to accept these opportunities rather than go to court.

Whether the railroads will file claims involving more than \$2,000,000,000 is being discussed now in Washington inview of the desire of President Harding to settle these negotiations out of court.

DEFICIENCY CLAIMS EXPECTED BY MELLON

Will Not Disarrange Tax Programme, He Says.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau.
Washington, D. C., Oct. 14.
Secretary of the Treasury Melion in a formal statement to-night announced that requests for deficiency appropriations, soon to be sent to Congress for the fiscal year 1922, would not disarrange the tax programme already practically agreed upon by Congress and the Administration.

The Treasury estimate of expenditures of \$4,034,000,000 for the year, sent to Congress in August, will remain unchanged, Mr. Melion made clear. He issued the statement following reports that deficiencies totalling \$370,000,000 would be asked for. He denied that this sum would be requested, but admitted that deficiency appropriations would be requested.

READY FOR BIDS SOON ON LEVIATHAN WORK

Great Liner Will Not Be

Electrified.

New York Herald Bureau. Washington, D. C., Oct. 14. New York Berraid Bureau,
Washington, D. C., 6ct. 14.}
Specifications for the reconditioning
of the Leviathan will be ready for consideration of prospective bidders some
time next week, it was announced today by President Joseph W. Powell of
the Emergency Fleet Corporation. It
will take bidders a month or more to
study them with sufficient care to make
up a bid.

Mr. Powell said that the Leviathan
will not be electrified. The reason for
this is that there are no motors of the
Diesel type of more than 4.000 horse
power capacity. Mr. Powell said that
in order to put in enough of these
motors to drive the Leviathan too much
passanger space would have to be
given up.

AMUSEMENTS.

WALTER DAMROSCH, Conductor
ALBERT COATEN Guest
VINCENT d'INDY, Conductors
CARNEGIE HALL
Thursday Affis, and Ir Friday Evgs,
6 Sat. Afts for Young People
AEOLIAN HALL
16 Sunday Afternoon Concerts
4 Sat. Mornings for Children

OPENING CONCERTS—CARNEGIE HALL Thursday Aft., Oct. 20—Fri. Eve., Oct. 21 SOLOIST-VIOLIN Paul Kochanski

WALTER DAMROSCH Wagner's Nibelungen Trilogy First Recital To-morrow (Sun.) Aft. at 1 Tkts. at Box Office & Room 1202, Acollan Bidg

AMUSEMENTS.

Theatres Under Direction of Hugo Riesenfeld

"Peter TIMES SQUARE Today, 2:30-8:15

Ibbetson" RESERVED at last

with Elsie Ferguson and Wallace Reid

as the lovers—Du Maurier's novel...

one of the world's greatest love-stories, filmed with an artistry and beauty hardly ever before

Wallace Reid as Gogo,-the dreamer of

Wallace Reid as a bare-knuckle pugilist of the days of 1830-in the prize-ring and winning-Wallace Reid as a convict-no longer the easy-going, dare-devil, handsome Wallace Reid -but an actor of tremendous emotional roles-

Wallace Reid as an old man-a gray-haired "lifer" in his cell and-

Elsie Ferguson as Mimsi, young and beauti-

Elsie Ferguson, old and gray and still beautiful -loving her dream-love while he suffers behind prison-bars-

Elsie Ferguson in one of the most brilliant roles of her career-

Sherwood of "Life" saw "Peter Ibbetson" in the studio. This is what he said: "It is a story of rare beauty, acted by beautiful people, against beautiful back-grounds."

A Paramount Picture A George Fitzmaurice Production

Presented by Adolph Zukor

CAST INCLUDES Elliott Dexter Montagu Love Dolores Cassinelli

George Fawcett
Barbara Dean
Paul McAllister

Times **BEGINNING TODAY**

Two performances daily, at 2:30 and 8:15 All seats reserved NOW SELLING Mail Orders Filled

PRICES: Week Day Matinees, 50c—\$1.00 Evenings, \$1.00—\$1.50 Saturday and Sunday, \$1.00-\$2.00 (War Tax Extra) BOX OFFICE OPEN 10 A. M.

RIVOLI LAST TIME **ELSIE FERGUSON** in "Footlights"

-Beginning Tomorrow-**NAZIMOVA** In "Camille"

A Paramount Picture RIVOLI CONCERT ORCHESTRA

RIALTO LAST TIMES CONSTANCE BINNEY in "The Case of Becky" FAMOUS RIALTO ORCHESTRA

Beginning Tomorrow-**GLORIASWANSON**

In "Under the Lash"

NEW YORK'S LEADING THEATRES AND SUCCESSES EMPIRE B'way & 40th St. Evs. 8:20 Mats. To-day & Wed. 2:2:0 MATS WED & SAT. 50 h \$250 min HE OTIS SKINNER in "BLOOD GAIETY B'way&46thSt. Eves.ats 30.
Booth Tarkington's New Comedy
"AN AMERICAN 'BUNTY."—Mail.

GONG H. CONANT COMEDIANS
IN THE MUSICAL HIT
TOBRIEN GIRL

ckerbocker, B'way & 38 St. Eves. 8.25.
ATINEES TO-DAY & Wed. 2.25.
'2 WKS. before transcontinental tour
NRY W. SAVAGERS

CORT W. 48 Eves. 8:20. Mass. To-day & Wed. 2:30. "ONLY 38" with MARY RYAN BELMONT

"MUSIC BOX REVUE"

"SIX CYLINDER LOVE"

GLOBE. Mats. To-day, & Wed. 2:30 Charles Dillingham presents John Charles Thomas LEXINGTON LEXINGTON AVE. IR HARRY Mon., Oct. 17

TCRUM, West 46th St. Ergn. at 8:16.
Last 3 Weeks, Mis. To-day Thurs 2:15
WONDERFULLY FORTRAYED.

— Alan Dale, American

PAYID BELASCO Presents

FRANCES STARR

MUSICBOX

West 45 St. Tel. Bryant 1470. Evs. 8:15. Matinees To-day & Wed. 2:15.

HARRIS

Biggest Hit "The Love Letter" KLAW Thea. West MARIE DORO MAT. TO DAY 2:20 MARIE DORO TULES OF THE FIELD MOTION TREWOR HENRY MILLER'S THEA, W. 43 St.
IF YOU
WANT TO Clair, Sydney Morgan a
LAUGH SEE the other Irah Players.
"THE WHITE-HEADED BOY" 63D ST. Mude Hall, bet, H'y & Cent. P. W. SHUFFLE ALONG Evs. \$200. Mat. Sat. Only Midnight Performance, Wed. at 11:30

I'S the wives get fooled, not us half so much."
'LILIES OF THE FIELD,"
'KLAW THEATRE.

If you are seeking new capital, a partner or want to start a business, a Business Opportunity Ad in The Herald may accomplish just what you are after. AMUSEMENTS.

MAT. TO-DAT at 2, "HANNEJ. AND GRETEL." de Phillippe, Mario, Klinova, French. De Hierapolis: Cond. Hadley. "PAGLIACCI." Charlebols, Andreim!, Viviano, d'Amico, Tudiaco; Cond. Lebegott. TO-NiGHT. "LA GIGCONDA," Amsen, Frascani, Eaton, Tommasini, Ruyer, De Biasi, Cervi; Cond. Peroni. Mon.. "AIDA," Rappold, Frascani, Tommasini, Viviano, De Biasi; Cond. Peroni. Mon.. "AIDA," Rappold, Frascani, Tommasini, Viviano, De Biasi; Cond. Peroni. TUES, "FAUST." Fitziu, Pagri, Boscacci, Royer, Scott. WED. MAT., "RIGGLETTO," Lucchese, Kraemer, Coralio, d'Amico, De Biasi; Cond. Sciaretti. WED. EVE., "CA-VALLERIA RUSTICANA," Saroya, Kraemer, Frascani, Dalle Molle; Cond. Lebegott "PAGLIACCI." Kelite, Tommasini, Viviano, d'Amico, Tudisco; Cond. Peroni. THURS. "BARBER OF SEVILLE," Lucchese, Boscacci, Royer, de Biasi; Cond. Peroni. FRI. "LA BOHEME," Fitziu, Keltie, Boscacci, Royer, de Biasi; Cond. Peroni. SAT. MAT., "CARMEN," Ferrabini, Kelte, Coralio, Royer, Becker; Cond. Peroni. SAT. MAT., "CARMEN," Ferrabini, Kelte, Coralio, Royer, Becker; Cond. Peroni. SAT. TYLE, "LI TROVATORE," Saroya, Frascani, Tommasini, Viviano, De Blasi; Cond. Peroni. PRICES Soc. 33. Tel. Longacre 5087. Evs. 8:15.

FPROCTOR'S Sharkey, Roth & Witt, Watt Fischer & Co., Faber & M Cavan, Cartmell & Harris, Pu & Ciair, others.

"NO WOMAN KNOWS" and Supreme Vaudeville "NO WOMAN KNOWS"

HIPPODROME'S STEATEST GET TOGETHER
PRICES CUT IN TWO MAT. TODAY
PRICES CUT IN TWO MAD EVERY DRY

TOWN HALL! REJANE in 'MIARKA' TO-NIGHT at enne sonly Film-Special Showing. Res. Seats, 50c, 75c, \$

STRAND "I ACCUSE" CAPITOL "From the Ground Up."

Mme. Eymael (French Sopran
B'way at 51 St. Capitol Grand Orchestra.

COLUMBIA B'way/Twice Daily Burterqu
Gric New Bon Tons with Geo. Borg Lar

in Her Most Endearing Film Play."
"LITTLE LORD FAUNTLEROY."
From the Novel by Frances Hodgson Burnett,
CENTRAL Theatre, B"way at 47th 84.
CENTRAL Continuous Noon to 11:30 P.M.
MARIE PREVOST in "NOBODY'S
FOOL" An advertisement in the Lost and Found columns of THE NEW YORK HERALD offers a real possibility of recovering your lost property. A UNIVERSAL PICTURE.
Symphony Orchestra — Other Feature

AMERICA'S FOREMOST THEATRES & HITS. DIRECTION OF LEE & J. J. SHUBERT. Shubert Vaudeville Always a Three \$1
Winter Garden | 44th St. Thea.
0 Star Acts. Twice Daily, 2:15 and 8:15. AMBASSADOR MATINEEN THE BASSADOR MATINEEN TIME Moves THE 39th St. THEA Mon. Opening Monday at the Broadhurst Thea SEATS NOW SELLING. CENTURY PATRICIANS
THILAST FELEANOR
WALTZ PAINTER Arthur Hopkins will present Lionel Barrymore in "The Claw" With Irene Fenwick COMEDY ANNA VALLEY 249 HABELLESS 39 WYPR WEER GREENWICH VILLAGE FOLLIES 1921 39th St. THEA. East of B'way LINEAKING

FVITONMIS. Today& Wd.2:30 MARY PICKFORD

IORA BAYES AND MAN WEBLEY

ELTINGE THEA. W. 42d St., Eves. HELEN MacKELLAR in "BACK PAY" JUST MARRIED REPUBLIC W. 42d St. Eves. 8:45. Mats. Wed. & Sat. 2:30 Hopkins Presents Rambeau GETTING GERTIES GARTER in "Daddy's Gone a-Huntiny by Zoe Akins, Author of "Declasses." Plymouth West 45th St. Eves. 8:30. Mats. To-day & Thurs. MOROSCO MATERIASE THEATRE GUILD PRODUCTIONS

| GARRICK-65W.35, Evs.8 30 LONGACRE, W. 48th. Mats. Wed. & Sat A CLEAN AMERICAN COMEDY HIT THANK-"BREAK ANY ENGAGEMENT TO SEE IT."—Alan Dale. The 1st Year DOUGLAS FAIRBANKS

AMUSEMENTS. The JOLSON'S 59th ST. Thes. at 7th Av. AL JOLSON in "BOMBO" HA CLAIRE THE NIGHT CA PLAYHOUSE 48th St. E. of Bway, Evs. Bryans WAIT TILL WE'RE MARRIED

EOOTH W. 45th St. Eves, 8:30 Mts. Wed. & Sat. 2:30. ARLISS IN THE GREEN

TIMES SOMETHEE TANKESTEET BEG. NEXT TUESDAY THOU THE DEMI-VIRGIN

TIMES SQ. Theatre, W. 42 St. Evs. 8 20.
POPULAR MATINEE TO-DAY

MOVES Next MON. TO APOLLO SELWYN INTERNATIONAL WINWOOD CIRCLE HALLIDAY

ASTOR BWAY at 45th St.

James B. Connolly

TO-MORROW IN

THE NEW YORK HERALD

The International Fishing Boat Races



The first race of the greatest ocean racing event of the year is scheduled for October 22d, when the Yankee fishermen of Cape Cod will endeavor to keep the laurels they won with the Esperanto last year from the Halifax fishermen. The Esperanto, it will be recalled, foundered later on the Sable Island Bar, and a new boat, the Mayflower, built to take her place was disqualified by the Halifax trustees on the basis that she is a racing and not a fishing boat.

To-morrow, James B. Connolly, the foremost American writer of sea tales, contributes an article to The Herald on the preliminary aspects of the race. His stirring stories of last year's event were an achievement in journalism, and The Herald announces with great satisfaction both his Sunday article and his stories of the races which will follow.

THE NEW YORK HERALD